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Chair: Mr. Berger ..... (Germany)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.15 a.m.

Tribute to the memory of Fatih Bouayad-Agha

1. **The Chair** paid tribute to the memory of Mr. Fatih Bouayad-Agha, a member of the International Civil Service Commission.

Organization of work (A/C.5/67/L.21)

2. **The Chair** invited the Committee to consider the proposed tentative and provisional programme of work for the first part of the resumed sixty-seventh session, prepared on the basis of the note by the Secretariat on the status of preparedness of documentation (A/C.5/67/L.21). He informed the Committee that all of the reports of the Secretariat for the first part of the resumed session had been issued. Nine of the 13 reports had been submitted on time; one had been issued six weeks before the start of the resumed session, while the others had been issued 15 to 20 days in advance. The main reasons for late issuance were the late submission or excessive length of documents, or other reasons outside the control of the Secretariat. Advisory Committee reports would be completed as quickly as possible.

3. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that, as in the past, the Bureau should amend the programme of work throughout the session in order to reflect the consultation process. Adequate time should be allocated for thorough and successful discussion of the new and deferred items to be taken up by the session, notably human resources management and the United Nations common system, should be based on the agreements already reached on those items and every effort should be made to achieve a compromise on outstanding issues in a constructive and pragmatic manner.

6. The status of documentation for the session remained a matter of concern as the late issuance of reports was detrimental to the Committee's decision-making. It was imperative that the Secretariat should address the problem and make every effort to submit reports on time, in accordance with the Assembly's rules of procedure and its resolutions on the matter.

7. **Mr. Vrailas** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Iceland, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Ukraine, said that, despite the increasing constraints affecting national budgets, the Committee had achieved consensus on a number of difficult issues during the main part of the session. He expressed the hope that delegations would continue to work in the spirit of compromise and complete their deliberations within the time allotted for the first part of the resumed session.

8. He welcomed the consensus on troop costs and related issues reached by the Senior Advisory Group and expressed the hope that the Assembly would endorse the Group's report as a whole, particularly in accountability and the reports of the Joint Inspection Unit (JIU) and the Senior Advisory Group.

4. While the Group of 77 and China noted the improvement in the status of documentation for the resumed session, it was concerned that some reports had been issued late and some had yet to be issued. For the Committee to work effectively and make well-informed decisions, it was essential that all documents should be issued in a timely manner in all official languages, in accordance with the rules of procedure of the General Assembly.

5. **Mr. León González** (Cuba), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the programme of work included many topics of great importance to CELAC. Discussions of issues deferred from the main part of

recommendations.

9. Other key priorities included establishing an effective accountability system; finding the most favourable, sustainable and financially viable accommodation arrangements for staff at Headquarters; ensuring a more effective and efficient use of resources for air travel; and further strengthening safety and security. His delegation also looked forward to exchanging views on information and communications technology (ICT) and the steps being taken to make ICT systems more secure.

10. On the issue of procurement, his delegation was of the view that the Organization's procurement activities should be sustainable and should promote environmental protection, social progress and economic development through more efficient use of

resources, the optimization of costs and a higher quality of products and services.

11. Lastly, his delegation noted with concern the new cost estimates for repairing the damage caused by storm Sandy. It was to be hoped that the lessons learned from that event would ensure that the Organization was protected, both physically and financially, against any future natural disasters.

12. **Mr. Román-Morey** (Peru) said that the programme of work contained many critical items, in particular progress towards a system of accountability, an issue that should be accorded greater importance if the Organization was to function more effectively and efficiently. As the representative of a troop-contributing country, he welcomed the report of the Senior Advisory Group on rates of reimbursement. The report of JIU — the only independent external oversight body of the United Nations system — was also important.

13. It was regrettable that the Committee had had to defer a number of issues from the main part of the session. Negotiations should not be reopened on questions on which delegations had already reached agreement; instead, the Committee should focus on resolving outstanding issues.

14. Lastly, although the Secretariat had issued most of the documents for the session on time, the delay in issuing several of them had led to the late submission of related reports of the Advisory Committee. The Fifth Committee depended on the timely issuance of reports in order to complete its work within the allotted time.

15. **Ms. Lingenfelder** (South Africa) said that her delegation looked forward to discussing the Senior Advisory Group's recommendations on the reimbursement of troop-contributing countries and trusted that they would lead to more predictable reviews of troop costs in future. Any new process in that respect should not be hampered by procedural considerations but should focus on substantive outcomes.

16. On ICT, it was important to put a uniform system in place in order to enable the Organization to deliver on its mandates. Modern technology could also be used to develop disaster preparedness and recovery plans, which should include reliable back-up procedures, secure information environments and ICT training. The Organization's capacity to deal with natural disasters had been put to the test by storm Sandy. Her delegation welcomed the appointment of a senior-level task force to examine the lessons learned and the necessary additional emergency response measures. The needs of persons with disabilities should also be addressed in respect of both ICT and emergency response.

17. Steps should be taken to strengthen accountability and oversight and to guard against duplication within the Organization. Apparent difficulties in harmonizing cross-cutting issues should be addressed, as they could lead to duplication and thus have a negative impact on the budget.

18. Lastly, aware of the need to broaden and deepen the pool of civilian experts to support capacity-building in countries emerging from conflict, her delegation welcomed the initiative to develop civilian capacity for that purpose and affirmed the principle of national ownership of capacity-building efforts.

19. **Mr. Aiki** (Japan) said that the Committee should make every effort to conclude its deliberations in a timely fashion. The report of the Senior Advisory Group was particularly important as the recommendations it contained would enable the United Nations to carry out sustainable peacekeeping operations. It was imperative that the Assembly should endorse those recommendations as a whole for implementation from 1 April 2013.

20. The Committee would also discuss accountability, procurement and Headquarters accommodation, in an effort to make the Organization more accountable, efficient and sustainable. On human resources management, the Committee had agreed *ad referendum* on the paragraphs pertaining to the proposed mobility framework in the draft resolution on human resources management negotiated during the main part of the session. That agreement should be maintained in order to allow the Committee to focus on outstanding issues.

21. **Mr. Torsella** (United States of America) said that the Committee must put an end to a number of practices that had become commonplace and had contributed to its inability at recent sessions to carry out its work in a timely and appropriate fashion. His delegation was prepared to take all appropriate steps, including meeting outside normal working hours and facilitating parallel meetings, to ensure that the Committee completed its programme of work on schedule. However, if representatives did not arrive on time for meetings, or simply refused to meet on a

specific item in order to delay the negotiations, it could only be assumed that they did not share that commitment to negotiating in good faith and his delegation would respond accordingly. In addition, the negotiating rooms should be inebriation-free zones in the future; the champagne should be opened only upon the successful conclusion of the session.

22. His delegation remained committed to consensus-based decision-making in the Fifth Committee. Consensus, commonly defined within the United Nations as the absence of objection, was the best way to ensure that the interests of all parties were met. That assurance had long been and remained fundamental to securing the confidence of major financial contributors, such as his Government, in the work of the Organization. Only those resolutions agreed by all stakeholders by consensus could be considered legitimate and there would be major consequences for the United Nations should "majority" be substituted for "consensus". Submitting or threatening to submit alternate draft resolutions to the Committee before a negotiated draft resolution had been adopted informally would be a clear contravention of the principle of consensus-based decision-making.

23. The Fifth Committee's work was linked to the work of all of the Organization's bodies. His delegation therefore viewed its participation in the Committee in the context of its broader multilateral engagement at the United Nations and of his Government's foreign policy. Lastly, in view of the Committee's oversight role, delegations should use the scheduled formal

administrative and budgetary matters of particular interest. The United Nations would benefit if the Committee paid more attention to the larger issues and trends driving the Organization's costs and performance.

24. **Mr.** Masood **Khan** (Pakistan) said that negotiations on agenda items deferred from the main part of the session, particularly human resources management, should continue from where they had been left off. It was to be hoped that delegations would exercise flexibility and political will in order to achieve broad-based consensus. Moreover, the Bureau's decisions on the deadlines for the conclusion of informal consultations and on the deferral of items should be taken in an open, transparent and inclusive manner, in accordance with past practice. The Chair should ensure that sufficient time was allocated for the examination of each agenda item.

25. Owing to the late submission of reports during the main part of the session, the Committee had had to examine some important budgetary issues at the eleventh hour. Those delays had adversely affected the quality of General Assembly resolutions and the Committee's organization of work. Reports and documents should be issued on time in order to allow the Committee to exercise due diligence.

26. **Mr. González Segura** (Mexico) said that, as the issues and projects currently under consideration would shape the Organization in the medium and long term, it was vital that the lessons learned during the implementation of recent large-scale projects, such as Umoja and the capital master plan, should be fully internalized by the Administration and applied when planning the Organization's future accommodation requirements and major projects.

27. The draft resolutions deferred from the main part of the session should be agreed upon expeditiously so that the Committee could focus its attention on the new items before it. While his delegation was in favour of implementing the mobility policy in order to meet the complex and changing needs of Member States, the Secretary-General must provide more details on the logistical and financial implications of the scheme. Lastly, in order for the Secretariat to carry out its mandates effectively and efficiently, further progress was needed in ensuring accountability, transparency in the use of resources and effective appraisals of staff

28. **Mr. Pehlivan** (Turkey) said that, regrettably, the methodology for the preparation of the scale of assessments for contributions to the regular budget had not been discussed in depth in the Committee during the main part of the sixty-seventh session and would be postponed again as a result of Member States' changing economic fortunes. As the current methodology failed to reflect the principle of capacity to pay, it should be overhauled expeditiously and the Assembly should provide guidance on the elements of methodology used by the Committee on Contributions.

29. The Fifth Committee should quickly conclude its work on human resources reform, including the proposed mobility scheme. The equitable geographic distribution of United Nations staff remained a matter of concern. He urged the Secretary-General to examine

the problem and address any systemic deficiencies. There was also a pressing need to harmonize staff compensation and apply consistent criteria and procedures to ensure that all staff, particularly those who worked in the same duty station, were treated equally. Compensation packages should be standardized and the compensation system should be simplified and modernized, while ensuring transparency and equity.

30. He welcomed the efforts to establish an accountability framework, grounded in results-based management and enterprise risk management, but acknowledged that it would be difficult to implement in an organization as complex and diverse as the United Nations. Accountability should therefore be linked to the budget process and should be an integral part of Umoja and human resources reform. Lastly, procurement should be made more cost-effective and efficient, while maintaining fairness, transparency and integrity. He welcomed the increase in the number of procurement contracts being awarded to companies in developing countries and expressed the hope that the simplified registration process would result in a more equitable geographic distribution of vendors. His delegation supported the establishment of a monitoring and oversight framework for procurement activities as part of Umoja, using existing resources.

31. **Ms. Moreno Guerra** (Cuba) said that the Committee, which should work with the same efficiency that it demanded of the Secretariat and set an example for the effective use of resources, had demonstrated serious management deficiencies during the main part of the session. The desire of some Member States to reform the Organization and some of its most fundamental administrative and budgetary procedures, and to change finely balanced resolutions out of context, were among the root causes of that situation, which was a matter of concern to her delegation, as was the submission of a set of provisions that would violate the acquired rights of United Nations staff.

32. The submission by the Secretariat of insufficiently developed proposals on substantive issues and the excessive delay in the issuance of documents showed a lack of regard for the Assembly's requests and resolutions on that matter and affected the Committee's work. While all Member States must demonstrate sufficient political will to avoid repeating mistakes and to ensure that the Committee's deliberations were efficient, the Secretariat must comply with the rules on the timely provision of documentation in all official languages and respond to requests for additional information from Member States in a timely and comprehensive manner.

33. The Committee's deliberations would be more efficient if they were made more transparent. To that end, all discussions held at Headquarters should be open to participants from all Member States and, when preparing the programme of work, the Bureau should ensure that two or more informal meetings were not scheduled at the same time. Noting with concern the proliferation of informal meetings with Secretariat officials, she said that such discussions and the information provided should be reflected in the summary records of formal meetings in order to consolidate the Committee's institutional memory. While her delegation did not oppose informal consultations, they should complement rather than replace formal meetings.

34. Lastly, her delegation requested the Bureau to organize a formal meeting with the Secretariat so that Member States could be kept abreast of how General Assembly resolution 67/247 on the programme budget for the biennium 2012-2013 was being implemented, in the light of the considerable challenges facing the Organization and the important mandates it had been given by Member States.

35. **The Chair** said he took it that the Committee wished to approve the proposed programme of work on the understanding that it would be adjusted by the Bureau as necessary during the course of the session.

36. *It was so decided.*

Agenda item 111: Appointments to fill vacancies in subsidiary organs and other appointments (*continued*)

(a) Appointment of members of the Advisory Committee on Administrative and Budgetary Questions (*continued*) (A/67/101/Add.1)

37. **The Chair** drew attention to document A/67/101/Add.1, which indicated that Ms. Namgya Khampa (India) had resigned from the Advisory Committee on Administrative and Budgetary Questions and that the Government of India had nominated Mr. Vinay Kumar, who had been endorsed by the Group of Asia-Pacific States, to complete the unexpired portion of Ms. Khampa's term of office. He

said he took it that the Committee wished to recommend the appointment of Mr. Kumar to the Advisory Committee for a term of office beginning on the date of appointment and ending on 31 December 2013.

38. *It was so decided.*

39. *Mr. Kumar was recommended for appointment to the Advisory Committee on Administrative and Budgetary Questions for a term of office beginning on the date of his appointment and ending on 31 December 2013.*

Agenda item 136: Joint Inspection Unit (A/67/34 and A/67/724)

40. **Mr. Posta** (Chair, Joint Inspection Unit), introducing the JIU report for 2012 and programme of work for 2013 (A/67/34), said that the Unit had produced 17 reports and notes and one management letter in 2012, mainly on system-wide issues. Its website had been revamped and a web-based tracking system had been launched in order to show the status of implementation of its recommendations. Outreach and communication had improved and collaboration with the United Nations System Chief Executives Board for Coordination (CEB) had been strengthened. Cooperation with other coordinating and oversight bodies had become more systematic to ensure synergies and avoid duplication. In response to the Assembly's request in its resolution 66/259 that the Unit's reports should be issued well in advance of meetings of legislative bodies, JIU was working with comments from organizations in order to expedite the finalization of reports. The Unit had completed its internal guidelines on evaluation, which were aligned with those of the United Nations Evaluation Group, and would soon finalize its guidelines on investigations; both sets of guidelines were in line with best international practices.

41. The programme of work for 2013 included 12 new projects — 10 system-wide reports and 2 single-organization reports. The Unit had taken a new approach to planning by including in its programme two feasibility studies that would assess client interest and the resources required to undertake specific complex reviews; if approved, the reviews would be conducted in 2014.

42. JIU would continue to maximize the use of the web-based tracking system to monitor participating organizations' acceptance and implementation of recommendations; the system now included online access for Member States that would allow them to do the same. While an ad hoc budgetary allocation had provided for the establishment of the tracking system, no provision had been made for maintenance and upgrading; additional resources would be needed to maintain the system and to ensure quality control, a function that the Unit could not perform within its current budget.

43. As the only system-wide independent oversight body, JIU welcomed requests that it should play a role in the implementation of mandates resulting from the quadrennial comprehensive policy review. Pursuant to one such request, the Unit, as part of the interim coordination mechanism for system-wide evaluation, would submit a proposal for pilot evaluations. Nevertheless, although the strengthening of JIU in recent years had left it well positioned to exercise its mandated role, it was no longer able to do more with the same resources. Given the imperative of prudent financial decision-making, United Nations system organizations required greater oversight than ever in order to make informed choices regarding resource allocation. While funding for internal oversight had increased significantly in the past two decades, funding for external oversight had not, despite increased demand. One primary reason was that those who were subject to oversight had a say over the Unit's budget; its budget proposals were reduced by the Secretary-General, before being submitted to the Assembly. That procedure seriously curtailed the independence of JIU and affected its ability to deliver on its mandates; consequently, he requested that the Unit should be allowed to submit its budget proposal, with the comments of the Secretary-General, through the Advisory Committee on Administrative and Budgetary Questions.

44. **Mr. Herman** (United Nations System Chief Executives Board for Coordination), introducing the note by the Secretary-General on the JIU report (A/67/724), said that, in order to support JIU during the preparation of its programme of work for 2013, CEB had solicited suggestions from agencies and provided useful topics for consideration by the Unit. To promote the speedier transmission of comments on JIU

reports, CEB had urged organizations to respond more quickly to requests for comment. It was increasingly common for the CEB secretariat to work closely with the Unit's inspectors as they drafted reports in order to yield a comprehensive and agreed outcome.

45. Collaboration between the two bodies had intensified recently as a consequence of the Unit's increased study of system-wide issues. In 2012, the CEB secretariat had prepared comments for 13 JIU reports within the timelines set out in the Unit's statute. Those activities had been performed using existing, very limited, capacities. As JIU continued to implement its strategic framework for 2010-2019 and heighten its system-wide focus, there would be further strain on CEB resources.

46. The Secretary-General, in his capacity as CEB Chair, had called upon member organizations to ensure good communication with the Unit, respond quickly to requests for information and ensure timely follow-up on its recommendations. Where appropriate, JIU inspectors were invited to participate in meetings of the Board's subsidiary machinery. Continued dialogue between CEB and JIU had improved their collaboration and thus contributed to building a stronger United Nations system working as one.

47. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that JIU reports of a system-wide nature would promote greater coordination among United Nations system organizations, which should fully implement the recommendations they had accepted. He welcomed the progress achieved in the implementation of the Unit's strategic framework and the launching of the web-based tracking system; those organizations that had already provided their inputs to the Unit by early 2013 were to be commended and the rest should do the same expeditiously.

48. He noted with concern that, given the current rate of review of participating organizations, JIU would review the management and administration of each organization once every 14 years. It would be useful to know the minimum standard frequency required for appropriate oversight. The Group was also concerned that the JIU budget had not increased in 20 years, even as the Unit strove to meet increased demand for system-wide evaluations. The Advisory Committee and the Secretariat should immediately analyse the Unit's budget submission process, which did not appear to be in full conformity with its statute, in order to ensure the operational independence of JIU and the allocation of appropriate resources for the implementation of its mandate.

49. The Group welcomed the input provided by participating organizations into the Unit's programme of work for 2013 and the efforts made by JIU to improve its working methods, harmonize its practices with the standards of the United Nations Evaluation Group and coordinate with other oversight bodies. Noting that the Assembly, by its resolution 67/226, had established an interim coordination mechanism for system-wide evaluation of operational activities for development, he invited all stakeholders in the mechanism to bear in mind that the Unit was the sole independent external oversight body of the United Nations system mandated to conduct system-wide evaluations, inspections and investigations.

50. **Mr. Román-Morey** (Peru) said that, in order to ensure the efficient, effective and impartial functioning of JIU, a proper budget for the Unit should be part of the Secretary-General's budget proposal. It was surprising that the JIU budget was systematically reduced and altered before being incorporated into the programme budget; even more astonishing was that, rather than strengthen JIU, Member States placed obstacles in its path and then demanded results. Reform of the United Nations should include the strengthening of the Organization's external oversight body. Despite those difficulties, JIU had issued 17 reports in 2012 and was finalizing 4 others, and had enhanced its efficiency in recent years through its strategic framework for 2010-2019.

51. Member States could not continue to expect JIU to do more with less; a more honest expectation is that it would strive to do the same with less. As the Secretary-General had recently acknowledged in an address to the General Assembly, it was no longer possible to do more with less, particularly when Member States established new mandates without increasing the budget. His delegation was not opposed to reform of JIU, as improvement was always possible, but Member States would be well advised first to ensure that legislative bodies fully considered and discussed the Unit's reports and adopted measures based on its recommendations.

Agenda item 130: Programme budget for the biennium 2012-2013 (*continued*)

Standards of accommodation for air travel
(A/67/356, A/67/636 and A/67/695)

52. **Mr. Baez** (Chief, Policy and Oversight Coordination Service), introducing the Secretary-General's report on standards of accommodation for air travel (A/67/356), said that the report covered the two-year period ended 30 June 2012 and provided comparative statistics for the two-year period ended 30 June 2010 and trend analyses for the previous ten years. Tables 1 and 2 combined the travel data of the Secretariat and other United Nations entities for the respective time periods. The Deputy Secretary-General's first class travel had been reported as an exception to the standards for the period from 1 July 2010 to 3 April 2011, as after that date the Assembly had, by its resolution 65/268, extended to the Deputy Secretary-General the entitlements regarding official travel accorded to the Secretary-General by resolution 42/214.

53. The Office of Internal Oversight Services (OIOS), in its report on the comprehensive audit of air travel activities and related practices (A/67/695), had concluded that policies and procedures for the granting of exceptions were adequate and implemented consistently. The Under-Secretary-General for Management, under the authority delegated to him, scrutinized all requests for exceptions on their merits — while ensuring that they complied with the regulations, rules and procedures — and exercised

54. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/636), said that the report addressed the increasing number and cost of exceptions to the standards of accommodation for air travel. The Advisory Committee recommended that the Assembly should request the Secretary-General to analyse trends regarding such exceptions and their impact on travel costs, take action to limit their increased use, and ensure compliance with the related rules and procedures. The Advisory Committee also recalled its recommendations on the advance purchase of tickets contained in its previous report (A/66/729).

55. **Mr. Kanja** (Assistant Secretary-General for Internal Oversight Services), introducing the report of OIOS on the comprehensive audit of air travel activities and related practices (A/67/695), said that limitations in information systems had historically made it difficult to gather comprehensive data on air travel expenditure, which was a significant expense category. OIOS had estimated that, for the biennium 2010-2011, such expenditure had amounted to $535 million for Headquarters, offices away from Headquarters and regional commissions, and $40 million for special political missions. For peacekeeping missions, it had amounted to $91 million and $103 million for the financial years ended 30 June 2010 and 30 June 2011, respectively. It had concluded that the Secretariat's governance, risk management and control processes were partially satisfactory in providing reasonable assurance that air travel activities were managed effectively.

56. The report set out a number of key audit results. By the end of December 2012, the Secretariat had fully or partially addressed all but one provision of General Assembly resolution 65/268 regarding standards of accommodation for air travel. The unaddressed provision pertained to reporting to the Assembly on total air travel expenditure under the regular budget for the bienniums 2010-2011, 2008-2009 and 2006-2007. In February 2013, the Secretary-General had completed one outstanding action by delegating authority to grant exceptions for air travel to the Under-Secretary-General for Management.

57. Mechanisms had been established for making travel arrangements; however, there was a need to

from airlines. Formal guidance on travel policies should be issued, including the definitions of key terms, such as the lowest logical airfare, and vendor performance should be monitored. Travel managers should coordinate their operations more closely and share best practices. While the bidding processes for travel management services contracts generally complied with the Financial Regulations and Rules, the criteria for conducting legal compliance reviews during the bid evaluation should be clarified. Policies and procedures regarding the granting of exceptions to standards of accommodation for air travel were adequate and implemented consistently.

58. The cost-benefit analysis of the lump-sum option for travel and relocation had indicated that 91 per cent of eligible travellers at the main duty stations utilized

that option and that, on average, the amount payable was 77 per cent of the estimated cost of air tickets and other entitlements. The unaccompanied shipments entitlement, which accounted for around 53 per cent of the cost of United Nations-arranged travel, was not used widely. When that cost was excluded, lump-sum amounts were 183 per cent of the estimated travel costs. Approximately 89 per cent of eligible travellers at selected locations used the relocation grant. An analysis of 2011 data showed that relocation grants exceeded the actual costs incurred when the United Nations arranged for shipment of personal effects. However, if staff members had used their full shipment entitlement, it would have cost the Organization significantly more than the lump-sum amounts. The relocation grant also provided flexibility in the administration of shipment and removal entitlements. The Department of Management had not conducted a cost-benefit analysis of the lump-sum option for travel since 1995 to confirm whether the option was achieving the expected results.

59. The Secretariat had accepted all of the audit recommendations and had either initiated actions to implement them or was planning to implement them within specific time frames.

60. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that the Committee's deliberations should result in better arrangements for the standards of accommodation for air travel that were compatible with the work performed by the staff of United Nations system organizations while taking into account special needs, requirements and conditions of work. He expressed the hope that improved information management with the final roll-out of Umoja would bring greater clarity and certainty to policy and decision-making on air travel. Policy changes in that area, as for all management and financial issues, remained the exclusive prerogative of the Fifth Committee and the General Assembly.

61. **Mr. Torsella** (United States of America) said that, while proper accommodation for official travel by United Nations staff and representatives was necessary, the expenditure of $575 million on travel under the regular budget in the biennium 2010-2011 and $194 million on peacekeeping-related travel from July 2009 to June 2011, for a total of $769 million — comparable to the cost of a major peacekeeping operation and more than one year's funding for all special political missions — was a matter of great concern. The fact that the total spent under the regular budget was eight times the amount identified for travel in the budget approved by the Assembly raised an issue of transparency in the budget process. When travel made up almost 11 per cent of the regular budget, it was imperative to review and adjust policies; regrettably, the Assembly had been unable to endorse at its sixty-sixth session the Secretary-General's proposals aimed at improving those policies.

62. The United States federal system, which was the comparator for United Nations salaries and benefits, should also serve as the comparator for limitations on those benefits; accordingly, the length of journey for which business class was allowed should be extended from 9 to 14 hours, in line with the rule of the United States civil service. Barring extenuating circumstances, there was no need for United Nations staff to fly business class to Vienna or Brindisi.

63. Other generous and obsolete policies governing travel benefits should also be addressed. Paying the daily subsistence allowance during flight time amounted to reimbursing employees for meals and hotel costs while they were in the air. Moreover, under the current rules for the calculation of total trip time, adding a four-hour stopover to a five-hour flight could result in an upgrade to business class. In addition, the lump-sum payment option, which was based on a fare class that no longer existed, had resulted in payments to travellers of nearly twice the actual cost of travel. A comprehensive revision of policies, rules and guidelines was needed in order to close the loopholes that led to such egregious and wasteful distortions. In addition, the Organization's leadership should be given the guidance and tools required to manage air travel better.

64. The collection and analysis of information on travel should be improved immediately, without awaiting the roll-out of Umoja. OIOS had repeatedly indicated that lack of management information was one of the most critical gaps preventing the Secretary-General from executing Organization-wide changes effectively, and it would be impossible to improve group purchasing policies and strategies or to refine air travel rules without a good understanding of current trends. To that end, the dashboard used by the United Nations Office at Geneva to follow trends in air travel was a good practice that should be implemented system-wide. Providing staff with online booking tools for commonly travelled routes could also help ensure

the lowest fares and simplify the procedure. Such tools could also help management by benchmarking trends and providing data on travel patterns.

65. Savings could also be sought by recalibrating the lump-sum payment policy based on actual utilization rates and market prices and by collecting refunds to which the United Nations was entitled owing to cancellations and changes. Travel requirements should also be consolidated within the United Nations or even system-wide in order to reap economies of scale.

66. The many exceptions being granted to the rules on travel standards were another matter of concern. According to the Secretary-General, 529 exceptions had been granted between July 2010 and June 2012 in order to allow staff and representatives to travel business or first class instead of economy, an increase of nearly 60 per cent over the previous two years. Such exceptions sent the wrong message to the United Nations system and the taxpayers who funded it.

67. Noting that OIOS had recommended an evaluation of the lump-sum option, which had not been adjusted in 20 years, he wondered why the Secretariat had indicated in response that the evaluation could not be undertaken until 2015. Recalling also that in March 2012 the Committee had been informed that 74 per cent of the $73 million spent on travel from New York and Geneva had been for business class travel, he requested an update of those figures. He also inquired whether exceptions to the standards of accommodation applied only to individuals or also to the parties accompanying them.

Coordination Service), responding to the questions of the United States representative, said that the lump-sum payment option, which gave staff more flexibility in making their own arrangements for home leave travel, was under discussion in the context of Umoja implementation. The current calculation, which was based on 75 per cent of the full economy class fare and had been widely accepted throughout the United Nations common system, covered not only the cost of the ticket but also other expenses that were part of the entitlement. Efforts were under way to reform the calculation in a manner that would be fair and appropriate for staff at all duty stations.

69. With respect to exceptions to the standards of accommodation for air travel, the information provided in the annexes to the Secretary-General's report (A/67/356) pertained only to the individuals concerned.

70. **Mr. Bronner** (Chief, Commercial Activities Service) said that, in 2012, travel expenditure for Geneva and Vienna had totalled $66.4 million, of which 54.9 per cent had been for economy class and 39.4 per cent for business class.

The meeting rose at 12.25 p.m.